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Cox Announces AOL Settlement

Consumers Eligible for Refunds

AOL will Modify its Cancellation/Retention Practices

LANSING - Attorney General Mike Cox today announced a settlement with AOL, one of the nation's largest Internet service providers, requiring the company to provide consumers refunds and make significant changes in honoring consumer cancellation requests.

"AOL's old practices created obstacles to thwart legitimate cancellation requests and was unfair to consumers," said Cox. "Billing practices should always be fully transparent, to ensure that consumers do not pay for unwanted services. Today's settlement is a victory in protecting the rights of Michigan consumers."

The settlement, filed by Michigan and 47 other states as well as the District of Columbia, resolves complaints in which consumers have alleged difficulty and confusion in attempting to cancel their AOL paid services. AOL formerly limited the methods available for consumers to cancel their accounts. The most common way to cancel service was by directly calling AOL. AOL customer service representatives received incentives for retaining or "saving" customers who called to cancel their account. As a result, cancellation was extremely difficult if not impossible. Today's agreement puts strict limitations on this practice and requires recording and verification of these telephone calls. In addition, the agreement permits consumers to cancel through a simple online method via the website <http://cancel.aol.com>.

The agreement further requires AOL to make broad refunds to consumers who have complained of unauthorized charges for AOL service. In addition to resolving outstanding complaints, the company will be adopting an ongoing process of refunding consumers for unauthorized charges and will continue to cooperate with the states in these efforts.

The settlement further requires AOL to reimburse the states \$3,000,000.